

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7171

BILL NUMBER: SB 434

NOTE PREPARED: Apr 2, 2007

BILL AMENDED: Apr 2, 2007

SUBJECT: Retirement of Manufactured Home Titles.

FIRST AUTHOR: Sen. Weatherwax

FIRST SPONSOR: Rep. Moses

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill:

- (1) requires a person who owns a manufactured home that is personal property, not held for resale, or not attached to real estate by a permanent foundation to obtain a certificate of title for the manufactured home. (Current law requires a certificate of title for manufactured homes whether owned as personal property or real property.);
- (2) requires an application for: (A) a certificate of title; or (B) an affidavit of transfer to real estate; to include certain identification numbers, if available;
- (3) provides that the Bureau of Motor Vehicles (BMV) may issue a certificate of title or an affidavit of transfer to real estate even if the numbers are not available;
- (4) specifies that certain persons are not required to apply for an affidavit of transfer to real estate to convert a manufactured home to real property;
- (5) provides that a certificate of title or certificate of origin is not required to apply for an affidavit of transfer to real estate;
- (6) provides that the BMV may adopt rules to require additional information in an application for a certificate of title;
- (7) repeals and relocates a provision requiring an affirmation of correctness by an applicant for a certificate of title
- (8) requires the BMV to adopt rules concerning the issuance of an affidavit to transfer a manufactured home to real estate; and
- (9) provides that the filing of an affidavit of transfer of real estate is not required to convert a manufactured home to real estate; and
- (10) provides that a zoning ordinance must allow occupants of single-family residences to engage in the home occupation of providing music instruction.

Effective Date: July 1, 2007.

Explanation of State Expenditures: (6) and (8) Requiring the BMV to adopt rules will have no fiscal impact and will be accomplished under their current rule-making authority. The fund affected is the Motor Vehicle Highway Account which supports the BMV.

Explanation of State Revenues: (1) Requiring a person who owns a manufactured home that is personal property, not held for resale, or not attached to real estate by a permanent foundation to obtain a certificate of title for the manufactured home may result in fewer certificates of title issued. The fee for a certificate of title is \$15, with \$10.75 deposited into the Motor Vehicle Highway Account and \$4.25 deposited into the state License Branch Fund. (Current law requires a certificate of title for manufactured homes whether owned as personal property or real property.)

Fund	Uses
Motor Vehicle Highway Account	Construction, reconstruction, and maintenance, along with supporting the BMV, the State Police, the Dept. of Transportation, and the State Department of Revenue
BMV Commission (State License Branch Fund)	Supports the operation of the license branches throughout the state

Background Information: In CY 2006, there were 1,144 affidavits to transfer manufactured homes to real estate.

(4) Specifying that certain persons are not required to apply for an affidavit of transfer to real estate to convert a manufactured home to real property (IC 9-29-4-7) will mean a revenue loss of \$10 per transaction. The fund affected is the Motor Vehicle Highway Account

Explanation of Local Expenditures:

Explanation of Local Revenues: (9) Providing that the filing of an affidavit of transfer of real estate is not required to convert a manufactured home to real estate will mean a reduction in revenue of an indeterminable amount. IC 36-2-7-10 provides for the collection of fees by the county recorder for recording, filing, filing for record. In CY 2006, there were 1,144 affidavits to transfer on a statewide basis.

State Agencies Affected: Bureau of Motor Vehicles, Bureau of Motor Vehicles Commission, Department of Transportation, State Police, State Department of Revenue, all as recipients of the MVHA distributions.

Local Agencies Affected: Recipients of the MVHA distributions.

Information Sources: Jane Morrical, Director of Treasury, Bureau of Motor Vehicles, 317-232-2822; Anne Valentine, Legislative Liaison of the Bureau of Motor Vehicles, 317-232-1936.

Fiscal Analyst: James Sperlik, 317-232-9866.